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BEFORE THE ARIZONA CORPORATION 1 2 **COMMISSIONERS** JEFF HATCH-MILLER-Chairman WILLIAM A. MUNDELL 3 MARC SPITZER MIKE GLEASON 4 KRISTIN K. MAYES 5 IN THE MATTER OF THE APPLICATION OF DOCKET NO. T-04103A-02-0274 OCMC, INC. TO OBTAIN A CERTIFICATE OF T-02565A-02-0274 6 CONVENIENCE AND NECESSITY FROM ONE CALL COMMUNICATIONS, INC. DBA OPTICOM 7 TO PROVIDE TELECOMMUNICATIONS SERVICES AS A PROVIDER OF RESOLD 8 INTEREXCHANGE SERVICES AND ALTERNATIVE OPERATOR SERVICES NOTICE OF FILING WITHIN THE STATE OF ARIZONA 10 11 Utilities Division ("Staff") of the Arizona Corporation Commission hereby files the 12 Rebuttal Testimony of Del Smith. 13 14 **RESPECTFULLY SUBMITTED** this 5th day of August 2005. 15 16 17 Attorney, Legal Division 18 Arizona Corporation Commission 1200 West Washington Street 19 Phoenix, Arizona 85007 (602) 542-3402 20 21 22 23 24 ىپ The original and thirteen (13) copies of the foregoing were filed this 5th day of August 2005 with: 25 26

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BEFORE THE ARIZONA CORPORATION COMMISSION

JEFF HATCH-MILLER
Chairman
WILLIAM A. MUNDELL
Commissioner
MARC SPITZER
Commissioner
MIKE GLEASON
Commissioner
KRISTIN K. MAYES
Commissioner

IN THE MATTER OF THE APPLICATION OF OCMC, INC. TO OBTAIN A CERTIFICATE OF T-02565A-02-0274 CONVENIENCE AND NECESSITY FROM ONE OCALL COMMUNICATIONS, INC. DBA OPTICOM TO PROVIDE TELECOMMUNICATIONS SERVICES AS A PROVIDER OF RESOLD INTEREXCHANGE SERVICES AND ALTERNATIVE OPERATOR SERVICES WITHIN THE STATE OF ARIZONA

REBUTTAL

TESTIMONY

OF

DEL SMITH

UTILITIES ENGINEER SUPERVISOR

UTILITIES DIVISION

ARIZONA CORPORATION COMMISSION

AUGUST 5, 2005

TABLE OF CONTENTS

<u>Page</u>				
Introduction				
Purpose of Testimony and Rule R14-2-1006				
Comparative Analysis				
Additional Issues Raised in Procedural Order				
Conclusions and Recommendations6				
EXHIBITS				
Comparison of Call Processing Sequences and Processing Times				
Comparison of Facilities and Call Processing Procedures				
Test Call PlanDS-3				

EXECUTIVE SUMMARY OCMC, INC. DOCKET NOS. T-04103A-02-0274 & T-02565A-02-0274

The purpose of Staff's rebuttal testimony is to respond to the issues raised by the Administrative Law Judge in his Procedural Orders dated June 24, 2005 and July 15, 2005. Staff will also respond to the Direct Testimony of David Hill that was filed on behalf of OCMC, Inc. ("OCMC" or "Company") on July 27, 2005.

While Mr. Hill testified that he had conducted test calls and found that Qwest Communications ("Qwest") times were longer, he did not provide any detailed information regarding the results of those test calls. Attached as Exhibit DS-1 is a table comparing the call data OCMC had previously reported with data Qwest reported. The call processing times reported by Qwest are shorter than the times reported by OCMC.

As depicted in the tables contained in the attached Exhibit DS-2, the facilities and procedures used by OCMC and Qwest are comparable. Based on this analysis Staff believes that OCMC has the capability to process zero-minus calls at a level of accuracy and reliability that is equal to that provided by Qwest. Staff further believes that the fact an OCMC operator remains connected for the duration of the call instead of dropping off after the call is connected to an emergency service provider, in addition to differences in how the companies time the calls, may account for some of the processing time difference.

Staff continues to support the recommendation set forth in its memorandum dated June 10, 2005. Staff recommends that OCMC's waiver of A.A.C. R14-2-1006.A be extended indefinitely. Staff further recommends that the Company be required to file within forty-five (45) days an application to continue its waiver of the zero-minus rules if:

- OCMC's average zero-minus call processing times increase above the levels set forth by the Company in this proceeding; or,
- OCMC fails to file annually a letter confirming that its call processing times adhere to the levels established (a letter of attestation).

Staff further recommends that beginning December 31, 2005, and on December 31 each year thereafter, for a period of three (3) years, OCMC file with Docket Control a letter of attestation signed by an Executive of the Company.

Introduction

- Q. Please state your name and business address.
- A. My name is Del Smith. My business address is 1200 West Washington Street, Phoenix, Arizona 85007.

- Q. By whom are you employed and what is your position?
- A. I am employed by the Arizona Corporation Commission ("Commission") in its Utilities Division. My title is Utilities Engineer Supervisor.

- Q. Briefly describe your responsibilities as a Utilities Engineer Supervisor.
- A. In my capacity as a Utilities Engineer Supervisor, I provide recommendations and technical assistance to the Commissioners and to other staff members on matters that come before the Commission involving telecommunications service providers operating in the State. In addition, I am responsible for supervising other staff members who work in the Engineering Section of the Utilities Division.

- Q. Please describe your educational background and professional experience.
- A. I graduated from Arizona State University in 1976 with a Bachelor of Science Degree in Engineering Technology. Prior to joining the Commission in 1985 as a Utilities Consultant, I had worked for a telephone operating company for twelve years where I held positions in network planning and design. Since joining the Commission, I have worked on hundreds of issues that have come before this Commission including the subject OCMC, Inc. ("OCMC") application.

A.

Q. What involvement have you had in Staff's review of OCMC's application?

OCMC requested a waiver to Arizona Administrative Code R14-2-1006 (the "zero-minus rule"). The proposed waiver would allow OCMC to complete zero-minus calls, including emergency calls, over its telecommunications network instead of the originating local exchange carrier ("LEC"). I was the staff member assigned to review this waiver request. As a result, I have been the originator of the reports that have been filed on Staff's behalf regarding OCMC's waiver. Also, I attended the Open Meeting where the Commission granted OCMC's application for authority to provide competitive resold interexchange and interLATA and intraLATA alternative operator services (Decision No. 67444, dated December 3, 2004). The Commission's Decision also granted OCMC a six (6) month waiver of the zero-minus rule. On April 28, 2005, OCMC filed a "Request to Make Waiver Permanent", by which OCMC requested a permanent waiver of A.A.C. R14-2-1006.A.

Purpose of Testimony and Rule R14-2-1006

Q. What is the purpose of your rebuttal testimony?

A. Staff will attempt to respond to the issues raised by the Administrative Law Judge in his Procedural Orders dated June 24, 2005 and July 15, 2005. Staff will also respond to the Direct Testimony of David Hill that was filed on behalf of OCMC on July 27, 2005.

Q. Please define the term "zero-minus" as it applies to Rule R14-2-1006.

A. The term "zero-minus" refers to calls by individuals who dial "0," and wait for the operator to assist in completing the call. The Commission adopted AAC R14-2-1006.A, which requires the Alternative Operator Service ("AOS") provider to route all zero-minus calls to the originating LEC. The Commission also provides for a waiver from the

 requirement upon a showing that the AOS provider could provide the caller with equally quick and reliable service.

AAC R14-2-1006.B provides for a waiver to subsection A "if the AOS provider has clearly and convincingly demonstrated that it has the capability to process such calls with equal quickness and accuracy as provided by the LEC".

Comparative Analysis

Q. In previous filings Staff's position has been that OCMC has not demonstrated that it can complete calls as quickly as Qwest Communication ("Qwest"), the predominant Incumbent Local Exchange Carrier ("ILEC") in Arizona. Has Staff's position changed as a result of Mr. Hill's recent testimony?

A. No. While Mr. Hill testified that he had conducted test calls and found that Qwest's times were longer he did not provide any detailed information regarding the results of those test calls. Attached as Exhibit DS-1 is a table comparing the call data OCMC had previously reported with data Qwest reported. The call processing times reported by Qwest are shorter than the times reported by OCMC. Staff understands that the call processing times reported by Qwest are based on actual call data collected through the use of mechanized recording. The call processing times reported by OCMC do not appear to be based on actual complete call data and therefore are viewed by Staff as being more subjective.

Q. Do the call processing times reported by Qwest only include zero-minus emergency calls?

A. No. The call processing times reported by Qwest and included in Exhibit DS-1 also include non-emergency zero-minus calls. The types of calls that are included in Qwest's

average operator work time of 25 seconds are alternatively billed calls requiring operator assistance, dialing instructions, time of day, etc.

Q. Is it Staff's understanding that these are the same types of calls that OCMC reported are included in its 44.6 second time and which OCMC suggests may be the reason for its longer reported time?

A. Yes.

Q. Has Staff prepared a comparative analysis of the facilities and call completion procedures OCMC and Qwest employ to process zero-minus calls?

A. Yes. As depicted in the tables contained in the attached Exhibit DS-2 the facilities and procedures used by OCMC and Qwest are comparable. Based on this analysis Staff believes that OCMC has the capability to process zero-minus calls at a level of accuracy and reliability that is equal to that provided by Qwest. Staff further believes that the fact an OCMC operator remains connected for the duration of the call instead of dropping off after the call is connected to an emergency service provider, in addition to differences in how the companies time the calls, may account for some of the processing time difference.

Q. How does OCMC ensure that its operators have numbers for the appropriate emergency service provider to which a caller should be connected?

A. OCMC maintains a database of emergency agency numbers and caller location information that is available to the operator when an emergency call is received. Staff understands that this information is updated and its accuracy verified on a regular basis. OCMC operators are trained to follow specific procedures to ensure that zero-minus emergency calls are handled efficiently and are routed to the appropriate emergency service provider.

Q.

A.

provider?

Yes.

Q.

.

Additional Issues Raised in Procedural Order

Q. Are you aware of any other AOS providers that have been granted a similar waiver?

Do Owest operators also route emergency calls directly to an emergency service

- A. I am only aware of two other providers that were granted waivers to the zero-minus rule.

 The one other waiver I worked on and vaguely remember used similar criteria to what Staff has utilized in the OCMC request.
 - Was Staff aware that OCMC completes zero-minus calls in Arizona that originate in other ILEC territories? If so, why didn't Staff analyze the call data for these carriers?
- A. It was Staff's understanding that OCMC provided its service throughout the state. Staff did not analyze the call data for these other carriers for several reasons. First, because Qwest is the predominate provider in Arizona and serving the major population centers, Staff assumed that the vast majority of OCMC's customers would be located in areas served by Qwest. Second, Staff is familiar with Qwest operations and that of the other ILEC's serving Arizona and would expect their facilities and procedures to be very similar to that of Qwest except probably on a smaller scale. Staff would expect OCMC to compare favorably to the other ILECs if it is proven to be equal to Qwest in these areas. Finally, Staff did not believe it prudent to expend significant Staff and Utility resources obtaining and then verifying data for service areas where the zero-minus emergency call volumes would probably be negligible.

Conclusions and Recommendations

- Q. What is Staff's recommendation regarding OCMC's request for a waiver of the zero-minus rule?
- A. Staff continues to support the recommendation set forth in its memorandum dated June 10, 2005. Staff recommends that OCMC's waiver of A.A.C. R14-2-1006.A be extended indefinitely. Staff further recommends that the company be required to file within forty-five (45) days an application to continue its waiver of the zero-minus rules if:

Q. Does Staff believe that the transient nature of AOS end-user customers would tend to minimize the number of complaints from such customers for zero-minus calls that are handled by the AOS provider?

- A. I would agree that payphone and hotel/motel end-user customers would be less likely to complain about poor service. According to a representative I spoke with in the Commission's Consumer Services Section, consumers frequently assume that any telephone service provided from a hotel or motel is not regulated.
- Q. Mr. Hill's in his testimony indicates that it is common for a providers like OCMC to conduct test calls to evaluate and measure the quality of its operators, to ensure calls are being completed within industry standards, and to see what competitors are doing. Does Staff believe that it would be beneficial to conduct test calls to compare zero-minus emergency call processing times for OCMC and Qwest?
- A. Only if the Commission decides that this type of comparative analysis is needed to grant a permanent waiver. Strict procedures would need to be followed and specific detailed information recorded for each test call to provide a meaningful evaluation of the reasonableness and validity of any test call data collected. Exhibit DS-3 is Staff's attempt to define the parameters of a test call plan for OCMC.

forth by the Company in this proceeding; or,

adhere to the levels established (a letter of attestation).

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Staff further recommends that beginning December 31, 2005, and on December 31 each

year thereafter, for a period of three (3) years, OCMC file with the Utilities Division

OCMC's average zero-minus call processing times increase above the levels set

OCMC fails to file annually a letter confirming that its call processing times

Compliance Section a letter of attestation signed by an Executive of the Company.

Q. Does this conclude your Rebuttal Testimony?

A. Yes, it does.

COMPARISON OF CALL PROCESSING SEQUENCES AND PROCESSING TIMES

OCMC and Qwest provided the following information on their operator handled call processing sequences and completion times.

Call Processing Sequence	<u>OCMC</u>	<u>Qwest</u>
after reaching the automated operator caller can press "0" and be connected to a live operator immediately	✓	✓
live operator verifies that the call received is an emergency and the nature of the emergency		✓

Call Processing Times (in seconds)	<u>OCMC</u>	<u>Qwest</u>
After being connected to the automated operator the		
average/typical time reported for the caller to be connected with a	10	7.9 - 9.6
live operator		
After being connected with the live operator the average/typical		
time reported for the caller to be connected with an emergency	44	25
service provider		
The total average call processing time reported	54	32.9 - 34.6

Notes:

- 1) From 2003 through June 2004 the monthly call processing time for Qwest was between 7.92 and 9.64 seconds with an average work time of 25 seconds.
- 2) OCMC responded that it examined the data for call processing times beginning December 1, 2004, and ending April 30, 2005, and verified that the times remain at the level set forth in previous responses to Staff discovery.
- 3) Ten seconds is the maximum time for OCMC to process this segment of the call.

Exhibit DS-2

COMPARISON OF FACILITIES AND CALL COMPLETION PROCEDURES

OCMC and Qwest provided the following information regarding their respective facilities and zero-minus call completion procedures. As depicted in the Tables below the facilities and procedures used by OCMC and Qwest are comparable:

Facilities

	<u>OCMC</u>	<u>Qwest</u>
authorized to provide zero-minus emergency call completion and operator assisted services in other states	✓	✓
provides 24-hour, seven day a week operator services over its telecommunications network which is equipped with emergency back-up power and redundant equipment		✓
switches have adequate capacity and are monitored at all times and 24-hour on-call technicians are available for needed repairs	1	✓
live operator centers are staffed to meet seasonal, daily and hourly peak traffic on network		✓
telecommunications network is engineered and maintained for a P.01 grade of service or better	1	✓

Call Completion Procedures

<u>OCMC</u>	Qwest
uses the same zero-minus call completion	uses the same procedures in other
procedures that it uses in other states	jurisdictions it serves
customers are required to provide	uses automatic number identification
emergency phone number information that	information to determine the appropriate
will be tested at least semi-annually to	emergency phone number information
verify its accuracy	
with a single keystroke the operator	the operator equipment provides the
equipment provides the operator with the	operator with the information needed to
information needed to process an	process an emergency call
emergency call; the operator need only	
press a single number to initiate call	
placement to the emergency service	
provider requested	
the operator remains on the line until the	the operator provides the caller's number to
emergency call is successfully completed;	the emergency service provider and waits
the operator will provide location	for the conversation to begin, the call is
information to the emergency service	then placed on hold, when either or both
provider in the event the caller hangs up, is	parties hang up the operator verifies that
hysterical, or is otherwise non-	the call has ended
communicative	
records are kept on all emergency calls	records are kept on all emergency calls

OCMC TEST CALL PLAN August 2005

- 1. OCMC shall perform 0- emergency test calls on its Arizona network and manually record the following call handling response times:
 - a) Elapsed time between when a test call first reaches the automated agent and the time an OCMC operator answers.
 - b) Elapsed time between when an OCMC operator is first heard and the time that a 911 center/PSAP operator is connected and heard.
 - c) Total duration of the test call (sum of a and b).
- 2. In addition to the timing information specified in number 1 above, the test call log shall indicate:
 - a) Date of the test call.
 - b) Time of the test call.
 - c) Where the test call originated.
 - d) The 911 center/PSAP the test call was made to.
 - e) The geographic location of the OCMC operator center handling the test call.
 - f) An indication whether the test call successfully completed to the correct 911 center/PSAP or failed and, if necessary,
 - g) Any pertinent comments regarding the results of the test call.
- 3. OCMC shall provide the script that was utilized to communicate with the OCMC operator and the 911 center/PSAP operator.
- 4. OCMC shall provide an explanation of the process that was followed to ensure the accuracy of its test call timing and reporting.
- 5. OCMC shall perform the test calls on different days during the week, including weekends, and at varying times during the day and at night.
- 6. OCMC shall perform the test calls to multiple 911 centers/PSAPS within the state.
- 7. OCMC shall make a minimum of thirty (30) test calls within a one week period.
- 8. OCMC shall provide its test call log and a report summarizing the results of its test calls. The report shall provide the average for each of the timing intervals specified in number 1 above.
- 9. OCMC shall repeat numbers 1 through 8 above for test calls on the Arizona networks of Qwest Corporation, Citizens Utilities Rural Company, Citizens Communication Company of the White Mountains and Navajo Communications Company.
- 10. OCMC shall provide a report comparing its results, as reported in number 8 above and the individual results for the four local exchange companies ("LEC"), as reported in number 9 above. For any instance where OCMC durations are longer than those of a particular LEC, OCMC shall provide what it believes is the reason for the difference.